

## Treasury and Exchequer



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Deputy Inna Gardiner  
Chair  
Public Accounts Committee

03 December 2021

Dear Deputy Gardiner

### **PAC Covid-19 Response Review**

Thank you for your letter of 5<sup>th</sup> November 2021.

For ease, my responses are set out in the table attached. I acknowledge that you intend to publish these.

Please contact me if you have any further questions.

Yours sincerely

A handwritten signature in black ink, appearing to read "R Bell".

Richard Bell  
Director General and Treasurer of the States

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**Response to PAC letter to Treasurer of the States – Covid response – 5<sup>th</sup> November 2021 – response due 3<sup>rd</sup> December 2021**

Question	Response
<p>1. How did your responsibilities as Director General of your department change during the COVID-19 Pandemic? What new responsibilities did you take on and what responsibilities did you hand over to other officers?</p> <p>a. How was this tracked?</p> <p>b. What new responsibilities did your department take on and what responsibilities did you hand over to other departments? How were these tracked?</p> <p>c. How did you work with other departments and key stakeholders to identify new areas of work to mitigate the impact of the pandemic?</p>	<p>Essentially my responsibilities remained unchanged during the pandemic, and I did not hand over any responsibilities to any other department. Like all other DGs I had rota responsibility to ensure senior officer cover and that essential decisions could be taken quickly, and pushed to ministerial level if required. The change in terms of role and for the department was the step change in the amount of work required arising from the design, costing and appraising of initiatives arising from Covid-19.</p> <p>a. See above. No tracking was necessary. The department did maintain (and continues to do so) a full schedule of all Covid-related decisions taken by the Minister, or me under delegated or statutory authority.</p> <p>b. Operationally T&amp;E did not take on any new responsibilities, but increased priority was placed on certain financial operations to support departments and the island. Our focus changed to the most relevant matters: paying individuals and suppliers promptly, deferral of debt, closer monitoring of investment portfolio, closer cash flow monitoring and forecasting, working on support schemes e.g. BDLGS, CFPS, Blue Islands lending and the related funding, financing , tax and debt management changes and financial strategy reworking required.</p> <p>c. Treasury and Exchequer worked closely and quickly with other departments to ensure essential activities and decisions progressed urgently, whilst still applying existing processes and controls. For example:</p> <ul style="list-style-type: none"> <li>• work with Economy and CLS on business support schemes</li> <li>• work with COO on procurement of essential supplies</li> <li>• work with all depts on preparing and evaluating business cases for additional financial support, and ensuring ministerial decisions were taken swiftly</li> <li>• work with CLS on deferring tax/Soc Sec payments</li> <li>• Real time testing by Internal Audit of support schemes.</li> </ul>
<p>2. We know there has been a huge impact of COVID-19 response measures on departmental business as</p>	<p>A small number of T&amp;E staff were seconded to other areas of Government during the pandemic. However these have now returned to their substantive posts. In addition, some</p>

usual activities, including the secondment of Government staff to other departments to aid the response effort. Do you have a 'back-to-normal' recovery plan for your department?

a. In respect of the secondment of Government staff to other departments to aid the response effort, how did you ensure disruptions to certain workstreams were prioritised in an objective and consistent way?

b. What would you do differently next time?

colleagues within Treasury remained in their substantive posts during the pandemic but were working on Covid-19 response measures during 2021, including helping to design and test business support schemes, ensuring key payments continued to be made, and put in place the Revolving Credit Facility. Some staff were seconded from the Risk Management team to support central business continuity arrangements.

Treasury and Exchequer has played a pivotal role supporting colleagues across Government:

- providing continued services to Islanders
- devising new schemes and projects in response
- contributed to the development of financial measures to assist businesses and the community (such as the Co-Funded Payroll Scheme),
- made swift changes to financial legislation
- ensured our health services in particular had access to the funds they needed
- real-time finance business partnering and internal audit input to a number of areas
- finance business partnering support for departmental Business Continuity meetings and procedures

It is notable that despite the demands of the pandemic the department was able to progress significant policy initiatives, for example:

- the change to the prior year basis for taxation assessment
- the move to independent taxation
- Development of ITS to replace out of date systems.

I am justifiably proud of my colleagues' achievements and thank them.

a. In some cases these projects have taken up a substantial proportion of their time and so delayed work on other projects and BAU activities. Throughout this time the department needed to consider which key workstreams needed to be prioritised despite reduced capacity with some officers concentrating on the response effort.

At the start of the pandemic, T&E Senior Leadership Team and other key officers reviewed Business Continuity Plans to include essential activity and conducted stop, start, continue analysis of all projects to determine what needed to be reprioritised. Projects and BAU

	<p>activities such as the Government Plan, Independent Taxation and the Annual Report and Accounts were therefore sometimes covered by other colleagues and reprioritising of resourcing.</p> <p>b. In general I am content with how the department responded, and am proud of the efforts of all concerned during a trying and demanding period. All existing performance measurement and reporting remained in place throughout.</p>
<p>3. How have you monitored the effects of the COVID-19 Pandemic on departmental business as usual activities and the disruptions to it?</p> <p>a. What tools were developed by your departments to monitor this?</p> <p>b. How do you minimise the impact on services and key deliveries?</p> <p>c. What decision making tools/approach did you use to decide on who should be seconded, and to where?</p> <p>d. How did you compensate for staff seconded to other departments to aid the response effort?</p>	<p>a and b. Treasury and Revenue Jersey Senior Leadership Teams have held regular meetings since the start of the pandemic to discuss and address any Business Continuity issues. Good communication has been proven essential to ensure all areas of the department were up to speed with key activities and requirements.</p> <p>This fed into the corporate Business Continuity calls which were initially held on a daily basis and we were required to provide a RAG status. We continue to monitor our status weekly and feed in to central activity. This includes a forward look to address any challenges or issues we become aware of.</p> <p>c. The corporate matrix was used to assess staff who were business critical to T&amp;E and those that could be released. We were playing a key role in assessing CV19 response, implications, funding and then monitoring programmes of work.</p> <p>d. The department was carrying quite a large number of vacancies at the time which impacted our ability to release staff. Therefore we did not have many colleagues who were seconded to other departments. Given the additional workload to support the departments and keep business as usual activities and processes operational we were already asking staff to cover additional workload and work additional hours.</p>
<p>4. Was any departmental authority changed during the Pandemic, including as a result of crisis management efforts, and if so, were they consistent with existing laws and regulations?</p>	<p>No departmental authorities were substantially altered but additional arrangements were put in place either to improve resilience against Covid-related risks of absence or to recognise additional demands on the time of the Minister and Treasurer. All additional</p>

	<p>arrangements were consistent with existing laws and regulations. The additional arrangements were:</p> <ul style="list-style-type: none"> <li>• The Minister appointed an additional Assistant Minister on 20<sup>th</sup> March 2020 (MD-TR-2020-0028).</li> <li>• The Minister approved (in MD-TR-2020-0027) an additional delegation to the Treasurer to approve allocations from the General Reserve. This delegation was not used and has now been removed.</li> <li>• The Treasurer approved a number of delegations: <ul style="list-style-type: none"> <li>○ To the Director, Strategic Finance, of all functions in the event of the Treasurer’s incapacity.</li> <li>○ To the Director of Treasury and Investment Management to complete documentation relating to the appointment of investment managers, and to trade within the CIF to rebalance participating Funds back within their Strategic ranges</li> <li>○ To the Director, Strategic Finance to make recommendations for approval to the Minister where the Treasurer considers that he has a conflict of interest; and/or where the amount recommended for approval is less than £500,000.</li> <li>○ To the Director, Strategic Finance, of all functions in the event of the Treasurer’s annual leave or illness.</li> <li>○ To the Director of Treasury and Investment Management to approve the closure of bank accounts.</li> <li>○ To the Director of Treasury and Investment Management to conduct trades within the Public Employee Pension Fund (‘PEPF’) to rebalance the Fund back within its strategic ranges.</li> </ul> </li> </ul>
<p>5. Who is responsible for monitoring the performance of services established in response to the COVID-19 Pandemic within your department? a. What and how have you documented lessons learnt?</p>	<p>a and b. T&amp;E played a pivotal role supporting colleagues across Government, including:</p> <ul style="list-style-type: none"> <li>• providing continued services to Islanders</li> <li>• devising new schemes and projects in response</li> <li>• contributed to the development of financial measures to assist businesses and the community (such as the Co-Funded Payroll Scheme),</li> <li>• made swift changes to financial legislation</li> <li>• ensured our health services in particular had access to the funds they needed</li> </ul>

<p>b. How do you intend to incorporate lessons learned from the performance of these services into the wider performance of your department?</p>	<ul style="list-style-type: none"> <li>provided real-time business partnering input to a number of areas.</li> </ul> <p>Whilst T&amp;E assisted with the development of various services established in response to the pandemic, the operation of these services sits with other departments, for example the business support schemes which sit operationally in Customer &amp; Local Services.</p> <p>Finance Business Partnering teams monitored and tracked all Covid-19 expenditure throughout the year and the analysis has been reported in departmental and corporate monitoring reports to respective Accountable Officers, the Executive Leadership Team and the Council of Ministers as well as in the Mid-year report to the States Assembly. Verification that the funds are spent for the purposes intended has been conducted as would be the case for other specific budget allocations.</p> <p>Business Continuity lessons have been captured throughout by Business Continuity leads and have been fed back to the central Business Continuity team.</p>
<p>6. How were self-assessment frameworks and Key Performance Indicators used to ensure that key services continued to operate?</p> <p>a. What worked well?</p> <p>b. What would you do differently?</p>	<p>a and b. The department did change the emphasis of some of its processes, placing increased priority on certain financial operations over others to support departments and the island. Our departmental service measures demonstrate these changes with debtor days increasing due to reduced emphasis on debt and revenue collection and creditor days improving as we focussed on paying individuals and suppliers more promptly. We monitor these monthly and publish our service measures quarterly. During the pandemic we were able to move to reviewing operational KPIs more regularly at Treasury SLT so as to ensure operational issues were not affecting the prompt payment for goods and services required for the island's response to the pandemic.</p> <p>Being flexible in our processes and working closely within our department and across government to provide a united response and support to the island worked well. The experience gained through the pandemic and recent flexible working pilot within the department has enabled us to consider and increase the number of roles and tasks that can be done effectively from home. This will enable us work differently and more flexibly in future.</p>

<p>7. What role did your respective Ministers play in deciding on resource and staff reallocations? What level of consultation was provided to them?</p> <p>a. What level of responsibility as the head of your department did you have on how staff should be reallocated and what resources could be taken from your departments and applied to the COVID-19 responses? How was this decision making formalised?</p>	<p>The Treasurer, and his Senior Leadership Team, have met formally with the Minister weekly throughout the pandemic (as they did before the pandemic and will continue to do). The Minister was advised and consulted as appropriate as the response developed.</p> <p>b. I was either involved in, or aware of, all key decisions either through formal SLT meetings or 1:1 meetings with Directors. SLT meetings are formally minuted.</p> <p>The T&amp;E Debt Management Team were reallocated to develop and administer the Payroll Co-Funding Scheme. At T&amp;E SLT the decision was made to de-prioritise debt collection and reallocate resources to the Payroll Co-Funding Project. T&amp;E resources were deployed to deliver the Payroll Co-Funding Project with colleagues from CLS.</p> <p>Throughout the Stay At Home period the T&amp;E Payments Team were in the office processing invoices to ensure the prompt payment for goods and services required the island's covid-19 response. A shadow Payments Team was also established comprising of employees from across Government who had previously worked in the T&amp;E Payments Team and who could be called upon in the event of staff sickness. Priority was given to the making of payment to suppliers and individuals. The Public Employees Pension Team resources prioritised the payment of pensions over routine administration.</p>
<p>8. Can you update us on how your department has responded to the recommendations made by the C&amp;AG on the response to the COVID-19 Pandemic? Have any recommendations been implemented?</p> <p>a. Have any changes made to the operations or working practices?</p>	<p>Treasury and Exchequer has a very good process of constructive dialogue with the C&amp;AG on her reviews at all stages – scoping, fieldwork and reporting. This tends to lead to recommendations that are fully understood, and which can largely be accepted and implemented – thus driving continuous improvement.</p> <p>At the date of preparing this response the C&amp;AG had issued the following Covid-related reports. Numbers in brackets indicate the number of recommendations wholly or partly for Treasury and Exchequer.</p> <ul style="list-style-type: none"> <li>• COVID-19 Related Emergency Support Scheme (2)</li> <li>• Overall Management of Public Finances during the COVID-19 pandemic (5)</li> <li>• Management of the Healthcare Response to the COVID-19 pandemic (2)</li> </ul>

	<ul style="list-style-type: none"> <li>• Procurement and Supply Chain Management during the COVID-19 pandemic (3) (NB Commercial Services has been part of Treasury and Exchequer since the start of November 2021)</li> </ul> <p>Amongst recommendations already implemented are:</p> <ul style="list-style-type: none"> <li>• A breach of the Public Finances Manual (PFM) has been recorded in relation to the procurement of the revolving credit facility.</li> <li>• Minor changes have been made to processes to enable changes to the PFM to be made more quickly.</li> <li>• A new online breach and exemption process has been developed and is being tested at the date of this response.</li> </ul>
<p>9. What thought has been given to ‘future proofing’ services?</p>	<p>T&amp;E is developing our Workforce Plan with help from People Services. This will enable us to resource and capacity plan in the department for projects in our Business Plan. The plan will also look to succession planning and consider where certain skills are in shorter supply and need to be developed in specific teams or individuals.</p> <p>We have also begun to provide teams with better visibility of workload by holding fortnightly Agile Wall stand ups where we discuss current and future projects, populating a Business As Usual calendar to share upcoming deadlines and plan busy periods. In addition, a Treasury and Exchequer Operating Committee has been set up which meets monthly with the aim of increasing collaboration across the department to highlight and deliver service improvements, as well as developing leadership capability and capacity below SLT.</p> <p>The department’s Business Plan aims to consider not only departmental pressures and priorities but also emerging requirements and risks from the wider organisation, economy and the Island / globally.</p>
<p>10. How did you work with Commercial Services to understand your department’s procurement needs during the pandemic?</p>	<p>T&amp;E staff worked collaboratively with Commercial services in relation to a number of key deliverables which supported and benefited the organisation as a whole or specific departments, for example:</p> <ul style="list-style-type: none"> <li>• new grant and business support schemes</li> <li>• support for Blue Islands</li> </ul>



	<ul style="list-style-type: none"> <li>• the purchase of essential supplies such as PPE</li> </ul> <p>This work was often undertaken at extreme speed in order to deliver an essential response, but existing approaches and controls were maintained.</p> <p>During this period the procurement requirements of the T&amp;E department itself were limited in comparison to other Departments.</p> <p>Commercial Services has recently moved to become part of the T&amp;E department. This will further strengthen collaboration on, for example, achievement of best value for money and implementing sound controls.</p>
<p>11. How have you measured, monitored, and reported on your performance, financial management (including value for money and cost benefit analyses) and impact on work programmes during the Covid-19 pandemic? What 3 things could be improved?</p>	<p>T&amp;E SLT considers service performance measures monthly at the Performance SLT meeting. These include efficiency measures such as the pace with which financial monitoring reports are delivered to ELT and COM, recently developed shared services measures in terms of pace of payment of suppliers, reduction in Government debt and invoices paid/ income received electronically. These measures are now reported to ELT and published on Gov.je quarterly (from Q1 2021). Within Revenue Jersey customer feedback is recorded on the Customer Feedback Management System portal and Customer Experience Feedback survey and some customer service metrics are now published on the website.</p> <p>In addition, the T&amp;E SLT considers Project performance in Perform, progress against Departmental Business Plan targets, BAU service measures and other data.</p> <p>This performance monitoring and reporting continued during the pandemic allowing the department to consider if there was any impact.</p> <p>Format of reporting developed as a corporate template to review and assess the budgetary impact of Covid, for example allocation of additional budget for CV19 related expenditure – was tracked each month in terms of actual spend and forecast. Given the uncertainty of timescales and CV19 measures, forecast assumptions were considered in terms of scenarios – e.g. 3 months or 6 months until public protection measures were removed.</p>

Financial monitoring reports also highlighted areas of the business plan and respective investment (growth budget) which were impacted by the change of focus during the pandemic

Business cases were completed for initiatives requiring additional funding during the pandemic. The relevant business cases were required to set out the benefits that would be achieved for the necessary investment thereby allowing for an appreciation of the cost-benefit case for intervention. The business cases also set out the means by which projects will be monitored whilst live and establish objectives that allow for an assessment to be made as to whether the project ultimately delivered what they set out to achieve.

Detailed monitoring of projects to ensure they are on-track to deliver their intended benefits is usually the responsibility of the relevant Accountable Officer whilst projects are live. Performance is also reported through ELT through financial reporting and the CPMO. Once projects reach completion a project closure report is required that allows for an evaluation of performance against the original business case objectives.

Business case practice was evolving at the onset of the pandemic. An Investment Appraisal Team with responsibility for embedding best practice with respect to business cases and cost-benefit analysis was established in Treasury and Exchequer in Q4 2019. While demonstrable progress was made before the pandemic started, the on-going work of this team to strengthen and embed processes and procedures surrounding the development of business cases will allow future business cases to provide a more comprehensive appreciation of the cost-benefit case for intervention and the relative merits of competing delivery options. This will aid in both initial decision making and the on-going monitoring of performance.

The pandemic required us to improve cashflow forecasting, and improvements continue to be made as our understanding develops. This is, of course, a theme. The pandemic gave us a baseline for estimating costs of proposals as well as understanding which options would be of greatest impact. Prior to the pandemic there was little in terms of baseline to base financial models on for such events that might have such a large impact on our finances.

	<p>The following are examples of where improvements have been made, but we are always seeking continuous improvement and so further changes are likely in time as we learn from experience:</p> <ul style="list-style-type: none"> <li>- Reporting processes were developed and enhanced through the pandemic period. For example, in the first instance calculating the financial impact of different scenarios lacked sufficient specificity in the guidance and hence was open to varying interpretation. Once identified from the review and feedback this was amended.</li> <li>- Trackers were reviewed regularly and challenged. We still maintain the trackers and have expanded their use.</li> <li>- A new format of Business case writing and review was being developed and enhanced as we went through the pandemic. Improvements were made through dialogue and collaboration across teams and departments</li> </ul>
<p>12. What would you do to improve how your department communicated with the rest of the Government of Jersey and external stakeholders?</p>	<p>In my view the department communicated well, both formally and informally, during the pandemic. Examples include:</p> <ul style="list-style-type: none"> <li>• Provision of regular financial information to ELT and CoM</li> <li>• Publication of the half-yearly report to the States Assembly</li> <li>• A letter from the Treasurer setting out the level of financial control expected</li> <li>• Media releases on tax measures and the Co-funded Payroll Scheme</li> </ul> <p>In terms of potential improvement we could provide updates or briefings to the key internal senior stakeholder groups – the Senior Leadership Team and the Senior Manager Groups – at their monthly and quarterly meetings. Members of the T&amp;E SLT could also attend other departmental SLTs to provide information as required. We could use the OurGov news intranet to share information both across government and within specific departments. Updates, briefings and Q&amp;A documents could be provided regularly for the key external stakeholder groups.</p> <p>During the pandemic we used Office 365 and Teams application to meet virtually and keep operations running smoothly. This has changed the way we now work across Government.</p>